

74-1323

MEMORANDUM FOR: Chief, Audit Staff

THROUGH : Deputy Director for Management and Services

SUBJECT : Report of Audit, Agency Travel System
1 January 1972 - 31 May 1975

REFERENCE : Memo for Chairman, Travel Policy Committee
dtd 3 Oct 1973, Same Subject

Accounting 3-3

The Travel Policy Committee has considered the recommendations submitted in subject audit report and concluded as follows:

Recommendation 5.a. Amend Agency travel regulations to require that specific justification for the use of first class air accommodation, as stated in be included on the travel order and/or travel voucher.

Recommendation 5.b. Amend Agency travel regulations to require the justification for the use of first class air accommodations because of the traveler's physical condition be approved by the Office of Medical Services.

Inasmuch as both of the foregoing recommendations dealt with travel regulations governing the approval of use of first class air accommodations, the Committee considered them in similar context. In deliberation of these recommendations, the Committee was influenced by the fact that Agency regulations currently limit authority to approve first class air accommodations to Deputy Directors or a single designated senior subordinate at Headquarters, or chiefs of stations in the field, except when the urgency of the travel

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SUBJECT: Report of Audit, Agency Travel System
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mission requires a traveler to accept first class on an "only space available" basis, or when a traveler enroute encounters circumstances beyond his control which necessitate the use of first class on an "only space available" basis. The Committee noted that, in cases involving these exceptions, authorizing officers and/or travelers are presently required to specifically state these circumstances as being applicable on travel orders or travel vouchers, thus providing substantial compliance with the audit recommendations. The Committee noted that all other criteria for approval of first class air accommodations (i.e., inadequate standards of sanitation, health, or comfort; mission requirements; and the physical condition of the traveler) are judgmental in application. Thus it appeared to the Committee that the Agency requirement that this judgment be exercised at the highest level provides a degree of control not anticipated in Federal Travel Regulations, which permit such judgment to be exercised by any authorizing officer. For this reason the Committee concluded that amendment of Agency travel regulations as recommended would not enhance controls over the use of first class air travel.

Recommendation 7. Amend Agency travel regulations to require that the travel order or travel voucher related to an extended period of TDY provide for a reduction of the rate of per diem after the first two months or contain a statement by the authorizing officer explaining why a reduction is not considered appropriate.

The Committee, in considering this recommendation, noted that the same regulation had been amended in October 1970 to remove a provision, similar to that now recommended by Audit Staff, for mandatory reduction of per diem during periods of extended TDY.

CONFIDENTIAL - EYES ONLY

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The reasoning attendant to this previous revision was that the SGTR's (FTR's), the Foreign Service, and the Department of Defense travel regulations uniformly avoided any automatic per diem reduction or sliding scale techniques, and emphasized instead the authorizing officer's historic role of informed discretion in determining appropriate per diem rates for prolonged periods of TDY. The Committee believed that this reasoning remained valid, and that the present regulation is more equitable in that per diem rates may be tailored by the authorizing officer to fit the particular travel assignment concerned, and automatic and sometimes unjustified per diem reductions are thus avoided. Based on the foregoing, the Committee proposed no action on this recommendation.




Chairman
Travel Policy Committee

STA

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OF  :da (11 Apr 74)

STAT

16 April 74

[Redacted]

Mr. Blaké

I agree with the Travel Policy Committee
(and the Director of Finance). Recommendations
of the Audit Staff would be more restrictive than
intended by Government travel policy.

Recommend you initial the memo and send it
forward.

[Redacted]

RHW

Cor

[Redacted]

Att: DDM&S 74-1323

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	SECRET	
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	 Chief, Review Staff, OP		
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	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
Remarks:			
<p>John -</p> <p>Rather than garble in a paraphrase I pass as is. I think Audit is overboard.</p> <p style="text-align: right;"><i>1st. Sec</i> Robert S. Wattles</p> <p>Att Cy of DD/M&S 73-4292</p>			
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ADD/M&S:RSW/ms (5 Nov 73)

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1 - DD/M&S Chrono

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DD/M&S 73-4292: Memo dtd 2 Nov 73 for Chief, Audit Staff fr

D/E subj: Report of Audit Agency Travel System 1 July 1972 -
Approved For Release 2003/04/29 : CIA-RDP84-00780R006200110002-2
51 May 73, w/Atts

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

TO: Director of Finance <input type="checkbox"/> Key Building		EXTENSION	NO.
		<input type="checkbox"/>	DATE
			2 November 1973
TO: (Officer designation, room number, and building)	DATE	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED	
1. Associate Deputy Director for Management & Services			<input type="checkbox"/>
2. <input type="checkbox"/>			Attached is my reply to the recent Audit Staff report concerning travel policy which I mentioned briefly to you.
3.			
4.			If you are in agreement with my reply, you may wish to express a DDM&S position to <input type="checkbox"/> the DDM&S representative on the Travel Policy Committee. A copy of the reply is attached for his use.
5.			
6.			
7.			
8.			<input type="checkbox"/> Thomas B. Yale
9.			Atts
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11.			
12.			
13.			
14.			
15.			

DD/AS 3.4292

02 NOV 1973

MEMORANDUM FOR: Chief, Audit Staff

SUBJECT : Report of Audit, Agency Travel System,
1 January 1972 - 31 May 1973

REFERENCE : Memorandum for Director of Finance,
Same Subject, dated 3 October 1973

The following comments are submitted in the same order as the recommendations contained in subject report.

a. Para. 5a.

We are not in accord with the recommendation that Agency regulations should be amended to require that travel orders or vouchers specify the particular qualifying reason for authorization or use of first class air travel for the following two reasons:

- (1) The obvious purpose of Government-wide restrictions on the use of first class air travel is to minimize its usage for budgetary reasons. Agency regulations seek to accomplish such minimum usage by holding the authorization for such travel for mission, health or comfort reasons to the highest practicable level, i.e. Deputy Directors or by delegation to a single senior subordinate. We believe this policy results in less usage of first class air than would result from a policy under which travel authorizing officials at all management levels could authorize first class air subject to the caveat they actually identify the qualifying reasons, i.e. mission to be performed, physical condition of the traveler, or standards of sanitation, health or comfort. We believe any requirement that the specific reason or reasons for a particular authorization be stated not only would be unnecessarily bureaucratic but would tend to result in boiler-plate language of no substantive value. The Federal Travel

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1 January 1972 - 31 May 1973

Regulations state no requirement that the travel order delineate a specific qualifying reason as a basis for a first class authorization. As a matter of fact, they recognize that the particular circumstance warranting the use of first class travel may not be apparent in advance of travel; in such cases if first class travel is authorized, the traveler is responsible for using less costly accommodations when they will meet reasonable requirements. For audit purposes, however, the Federal Travel Regulations state that the traveler's judgement is to be considered conclusive, without a stated requirement for a specific explanation.

- (2) As a matter of principle, it has been generally recognized by the Comptroller General that it is not necessary or appropriate for audit purposes to go behind the decision of an official duly empowered to authorize a particular action.

b. Para. 5b.

The recommendation to change the regulations to require Office of Medical Services approval for first class air travel because of the physical condition of the traveler is without relevance assuming the regulations are not changed to require such a statement of reason by the authorizing official. Even if the regulations were to be changed, we do not believe the Office of Medical Services should be required to approve physical condition cases because such a requirement would represent a dilution of the authority of the authorizing official and, in addition, the administration of such a requirement would result in a morass of red tape.

c. Para. 5c

Present regulations do not require Deputy Directors or their designees to specify a mission, health or comfort reason for authorizing use of first class air accommodations. Moreover, there is no evidence cited in the Audit Report that the Deputy Directors or their designees have not been in compliance with the regulations as now written. We see no purpose, therefore, for the recommendation that there be a reemphasis to

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these officers of a need to comply with the regulations in this respect.

d. Para. 7

We believe the present regulatory requirement for establishment of per diem for extended TDY should remain unchanged. It was initiated on 18 November 1970 as a result of careful study by the Travel Policy Committee to avoid the inequities which had resulted from application of the predecessor requirement for an automatic reduction of per diem after 60 days without specific high level authorization to continue at a higher rate (Deputy Director or Director of Training with respect to assignments under an approved training program). The present regulation is analogous in principle to the general caveat on authorizing officials to establish an appropriate per diem rate within maximums authorized for any trip giving consideration to the probable expenses to be incurred. We would submit that in the circumstance of the average extended TDY, usually overseas, the types and costs of facilities available to the traveler are well known in advance of the travel and that there is nothing especially significant about 60 days in this context. We believe the suggested requirement for appending an explanation to a voucher explaining why there was no reduction in per diem after 60 days would benefit no one and would result in bureaucratic boilerplate language which would serve no useful purpose.

e. Para. 8

We have reexamined the existing procedures for the maintenance of manual records reflecting accountability for unused Government Transportation Requests (GTR's). We have concluded present controls could be strengthened by establishing an independent control in the Office of the Chief, Certification and Liaison Division over GTR's received from the General Services Administration and furnished to Central Travel Branch. This will assure that a record of accountability is in fact established for all GTR's provided by Central Travel Branch. We feel there would be no added element of control by following the audit recommendation of making a voucher entry to

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a memorandum general ledger control account each time GTR's are received by Central Travel Branch and issued by the Central Travel Branch. As a matter of fact, it would not be feasible with a single general ledger account to differentiate between the accountability of the Central Travel Branch for GTR's on hand and the accountability of other components or individuals for GTR's received by them from CTB but not yet used; both kinds of accountability are accomplished with the manual records now efficiently maintained on a cost effective basis.

(signed) Thomas B. Yale

Thomas B. Yale
Director of Finance

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AT OF/Planning Staff [redacted] eb (2 November 1973)

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3 OCT 1973

MEMORANDUM FOR: Director of Finance
Chairman, Travel Policy Committee

SUBJECT : Report of Audit, Agency Travel System,
1 January 1972 - 31 May 1973

1. Attached is subject report. Please inform the Chief, Audit Staff of the action taken on the recommendations contained in paragraphs 5, 7, and 8.

2. For your information the General Accounting Office has reported at least two Federal agencies for the lack of justification or explanation of the use of first-class travel on travel vouchers. These agencies are subject to the same Federal Travel Regulations with respect to first-class travel as are incorporated in [redacted]. In our opinion Agency procedures should be strengthened to insure compliance with HR [redacted] which requires compliance with normal provisions of statutes for the expenditure of government funds.

3. This report has been discussed with the addressees. We are available to discuss the recommendations made to the Travel Policy Committee with its representatives at any time.

4. We appreciate the assistance provided our representatives during the audit.

[redacted]
Chief, /Audit Staff

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AUDIT STAFF REPORT OF AUDIT

This report presents the findings developed from an audit undertaken pursuant to Audit Staff responsibilities and authorities set forth in organization regulations. Unless otherwise indicated in the report, the audit included review and appraisal of internal controls and procedures and such other audit processes, test checks and verification of accounts, assets and transactions as were considered appropriate and consistent with generally accepted audit standards in the circumstances.

The objectives of the audit were to determine for management whether

- (1) Adequate controls and procedures have been established and are being applied effectively to safeguard organization resources and assure that resources are used only for approved and legal purposes, and
- (2) Activities are being conducted economically, efficiently and in conformance with policy determinations and directives.

Agency Travel System

For the period:

From 1 January 1972

Through 31 May 1973

Chief, Audit Staff

Date 3 OCT 1973

This report consists of 4 page(s).

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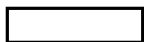
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REPORT OF AUDIT
Agency Travel System

For the Period
1 January 1972 - 31 May 1973

GENERAL

1. The Central Travel Branch (CTB), Certification and Liaison Division, Office of Finance is the central point where travel claims and related expenses are uniformly reviewed and processed for all staff and contract employees. Commuted travel expenses and agent travel claims are reviewed and processed by the traveler's component. Effective 1 August 1973 the Agency instituted commuted travel rates for travel from the field to Headquarters. Previously commuted rates covered only travel from Headquarters to the field. Travel claims for DDS&T components OSA, OD&E, OEL, and SPS are reviewed and processed by OSA. These components are the subject of separate reports of audit.



AUDIT OBSERVATIONS AND RECOMMENDATIONS

3. Travel vouchers processed by CTB were reviewed on a random test basis to determine uniform compliance with the policies, procedures, and controls applicable to Agency travel. CTB is generally effective in performing its function; however, Agency administrative procedures which govern the use of first-class air accommodations and the rate of per diem for extended temporary duty (TDY) need to be strengthened. Also,

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there is no general ledger control account for Government Transportation Requests (GTR's) on hand. Minor observations were discussed with officials concerned and satisfactorily resolved during the audit. Our recommendations for the Agency Travel Policy Committee and the Office of Finance are discussed below.

First-Class Air Accommodations

4. In many instances the necessity for the use of first-class air accommodations was not adequately justified on either the travel order or travel voucher. [redacted] and Federal Travel Regulations allow for the use of first-class air accommodations under certain circumstances; however, if an adequate explanation of the circumstances necessitating the use of first-class air accommodations is not included on the travel order and/or travel voucher, certifying officers and auditors are precluded from effectively reviewing the voucher. In this connection [redacted] requires that financial transactions be documented in a manner which will satisfy certifying officers and generally accepted accounting practices.

5. In several instances first-class accommodations were authorized because of the physical condition of the traveler, but there was no evidence of coordination with the Office of Medical Services (OMS). These authorizations should be approved by OMS.

Recommendations for the Agency Travel Policy Committee

a. Amend Agency travel regulations to require that specific justification for the use of first-class air accommodations, as stated in [redacted] be included on the travel order and/or travel voucher.

b. Amend Agency travel regulations to require that justification for the use of first-class accommodations because of the traveler's physical condition be approved by OMS.

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c. Reemphasize to the appropriate officials the need for compliance with regulations concerning the justification and approval of first-class air accommodations.

Rates of Per Diem for Extended Foreign TDY

6. In connection with a travel order for an extended period of TDY, Agency regulation [] requires the authorizing official to consider whether circumstances warrant a reduction in the rate of per diem after a two month stay at a TDY location. Federal Travel Regulations, from which our regulation is derived, state that per diem rates should be reduced when employees incur lower costs due to extended periods of TDY.

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7. CTB officials indicated there have been very few instances of reductions in per diem for extended periods of foreign TDY in the past year. Our review of 34 travel vouchers for extended periods of foreign TDY disclosed only one instance of a reduction in the rate of per diem and in only two instances was there an indication that a reduction in the rate of per diem was considered. The lack of explanation on the remaining 31 vouchers precluded an effective review by either the certifying officer or the auditor.

Recommendation for the Agency Travel Policy Committee

Amend Agency travel regulations to require that the travel order or travel voucher related to an extended period of TDY provide for a reduction of the rate of per diem after the first two months or contain a statement by the authorizing official explaining why a reduction is not considered appropriate.

Administrative Control of GTR's

8. CTB is responsible for the administrative control and safekeeping of GTR's issued to the Agency. Manual records

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maintained by CTB indicate that they are currently accountable for 2,920 GTR's, of which 2,435 are on hand and 485 have been issued to other Agency components. These manual records are the only Agency control of GTR's. Current procedures do not provide that receipts and issues of GTR's be processed through the Agency's formal system of accounts; therefore, the propriety of the manual records cannot be readily determined.

Recommendation for the Office of Finance

Establish a general ledger control account for GTR's similar to that provided for Accounts 7309 and 7310, Travelers' and Bank Cashiers' Checks Held on Consignment. This would provide effective control of the GTR's within the Agency's accounting system.

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73-3942
Accounting 3-3

3 OCT 1973

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[redacted]
Chief, / Audit Staff

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1 - DDM&S (D/PPB)
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Agency Travel System

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